SECTION 2: PROPOSAL INSTRUCTIONS

Note to Offeror. The following instructions refer to the person or entity that is submitting a proposal as the "offeror." When the word "you" or "your" is used in an instruction, the instruction is referring to the offeror.

36 CFR Part 51

This prospectus is issued under 36 Code of Federal Regulations Part 51. If any part of this Prospectus is inconsistent with 36 CFR Part 51, 36 CFR Part 51 will control.

Proposal Submission Date

Proposals must be received by NPS by the due date and time and at the address shown on the inside cover of this Prospectus for the initial award of contracts and allocation of use days. If you intend to mail a proposal, you should do so early enough to ensure receipt by NPS by the due date. You also may deliver your proposal to NPS at this address by the time and date shown on the front page of this prospectus.

Document Delivery Service

Document delivery services, including overnight delivery, to some areas may not provide true overnight delivery. You are encouraged to insure the timely submittal of their proposals by contacting the delivery service of your choice regarding delivery availability for the specific location specified on the front page of this prospectus.

Proposal Form

A proposal, in general, must follow the format provided in the Proposal Package.

Proposal Submission Requirements

- Numbering. Each page and section of a proposal should be sequentially numbered.
- Documents. One printed original, three printed copies and one searchable electronic copy on CD or DVD (.PDF portable document format [or other format subject to NPS approval]) are required.
- The NPS recommends that offerors minimize waste by writing concise proposals, printing on both sides of the paper, limiting supplemental materials and utilizing simple binding methods.
- Labeling. The proposal documents are to be submitted in a sealed container (e.g. an envelope or box) with the following marked on the outside:

"CONCESSION PROPOSAL - MAILROOM: DO NOT OPEN."
Proposal Due Date (from Prospectus Cover):
Offeror name and address:

Public Availability of Proposals

CONFIDENTIAL INFORMATION

If you believe that a proposal contains trade secrets or confidential commercial and financial information that you do not want to be made public, please include the following sentence on the cover page of each copy of the proposal:

"This proposal contains trade secrets and/or confidential commercial and financial information that the Offeror believes to be exempt from disclosure under the Freedom of Information Act. The Offeror requests that this information not be disclosed to the public, except as may be required by law."

In addition, you must specifically identify what you consider to be trade secret information or confidential commercial and financial information on the page of the proposal on which it appears, and you must include the following sentence on each such page:

"This page contains trade secrets or confidential commercial and financial information that the Offeror believes to be exempt from disclosure under the Freedom of Information Act, and which is subject to the non-disclosure statement on the cover page of this proposal."

PUBLIC RELEASE

Information so identified will not be made public by NPS except in accordance with law.

Questions

If you do not understand something in this prospectus, you must submit your questions in writing to the contact person identified on the cover of the Prospectus, no later than forty-five (45) days in advance of the proposal due date. NPS will respond to your question in writing, and will provide the question and response to all other persons who requested a Prospectus. Questions submitted after this date may not be answered.

Evaluation of Proposals

NPS REVIEW

In order to select the best proposal(s) for the initial allocation of use days, NPS will review each proposal received by the due date under the selection factors stated in this prospectus.

MERITS OF THE PROPOSAL

For each selection factor, NPS will assign a score that reflects the merits of the proposal under that selection factor in comparison to the other proposals received. The selection factors and range of possible scores are stated in the Proposal Package.

Offering the Contracts

NPS will assign a score to each timely received responsive proposal and identify the proposal with the highest point score as the best proposal. If two or more proposals receive the highest point score, then NPS will select as the best proposal (from among the proposals with the same highest point score) the proposal that NPS determines will, on an overall basis, best achieve the purposes of 36 CFR Part 51. All

offerors with a preference¹ will then be simultaneously afforded an opportunity to match the best proposal. Available contracts will be offered as follows.

- Contracts will first be offered to those ANILCA preferred offerors who match the best proposal
 (or the offeror who submitted the best proposal, if an ANILCA preferred offeror), in the order of
 the initial point scores of the ANILCA preferred offerors until the pool of ANILCA preferred
 offerors who matched the best proposal is exhausted.
- Contracts will next be offered to all remaining offerors starting with the highest remaining point score being offered the next available contract. If two or more proposals receive the highest point score, then NPS will select as the best proposal (from among the proposals with the same highest point score) the proposal that NPS determines will, on an overall basis, best achieve the purposes of 36 CFR Part 51.

Allocating the Cruise Ship Use Days

Each concession contract will include an initial allocation of prime season cruise ship use days, which collectively total up to the number of use days currently authorized (i.e., up to 82 for this prospectus). This initial allocation of use days will be based on the number of use days requested (up to the maximum number allowed - see proposal package "NUMBER OF PRIME SEASON USE DAYS REQUESTED") and the order in which contracts are awarded (see Offering the Contracts - above), until all currently authorized use days are allocated. For example, if there are 10 use days available in the prime season, and each offeror requests 4 use days, the best and second best offerors would each get 4 use days, the third best offeror would get the remaining two use days, and any additional contracts awarded would get zero (0) use days in the prime season. Note that when all of the currently authorized use days are allocated, additional contracts may still be offered to offerors who submitted timely, responsive proposals. However, these contracts will include zero (0) use days in the prime season. Offerors may opt to accept such a contract because it would still provide an authorization to operate in the shoulder or off season or even during the prime season if the prime season operators do not use all of the use days they are allocated.

The NPS does not at this time intend to allocate cruise ship use days during the shoulder and off season. If scheduling conflicts arise outside of the prime season, the NPS will allocate use days in proportion to the June to August non-historic allocation. For example, if company A and company B have 25% and 30% of the use days in the prime season, respectively (not counting any use days allocated pursuant to ANILCA historical rights), they will have a priority over other companies in the allocation and scheduling of 25% and 30% of the use days, respectively, in each month during the remainder of the year.

Preferred Offeror Determinations

ANILCA SECTION 1307

The Alaska National Interest Lands Conservation Act (ANILCA), Section 1307 (16 U.S.C. 3197) includes provisions concerning persons and entities who are to be given special rights and preferences with respect to providing commercial visitor services in conservation system units in Alaska – Historical Operators and preferred operators.

Historical Operator means "the holder of a valid written authorization from the Director to provide visitor services within a park area that on or before January 1, 1979, was lawfully engaged in adequately providing such visitor services in the applicable park area" (36 CFR 13.305).

¹ Preferences applicable to this prospectus include ANILCA preferred operators ("Most Affected" Native Corporations and local residents – see 36 CFR Part 13, Subpart E).

Holland America Line and P & O, Inc., dba Princess Cruises, are historical operators based on the following language from the Consolidated Appropriations Act, 2008, "SEC. 134. In implementing section 1307 of Public Law 96-487 (4 Stat. 2479), the Secretary shall deem the present holders of entry permit CP-GLBA005-00 and entry permit CP-GLBA004-00 each to be a person who, on or before January 1, 1979, was engaged in adequately providing visitor services of the type authorized in said permit within Glacier Bay National Park." Permit 005 is Holland America and permit 004 is P & O, Inc., d.b.a Princess Cruises.

Generally, historical operators have a right to continue to provide the same kind and scope of service that they were legally engaged in providing prior to January 1, 1979 (see 36 CFR 13.310). Historical operators will be permitted to continue to provide their historic scope of use (39 vessel use days for Holland and 32 vessel use days for P & O, Inc.), provided their historical rights are not lost (see 36 CFR 13.310). If any of the historical operators are not awarded a new contract pursuant to this solicitation and competitive process, they will be issued a separate contract for their historic scope of use on a non-competitive basis, pursuant to 36 CFR 13.310). An historical operator may compete for a new contract and additional use days pursuant to this solicitation and competitive process. If an historical operator is awarded a new contract pursuant to this solicitation and competitive process, a single new contract will be issued to that operator. The historic scope of use will be included and separately identified in any such contracts.

Preferred operator means "a Native Corporation that is determined under 36 CFR 13.325 to be "most directly affected" by the establishment or expansion of a park area by ANILCA, or a local resident as defined in this subpart." Local Resident is defined in 36 CFR 13.305.

On June 4, 1997 the National Park Service invited Native Corporations to apply for "most directly affected" status, pursuant to 36 CFR 13.325. Huna Totem Corporation was determined to be a Native corporation "most directly affected" by the establishment of Glacier Bay National Park and Preserve. Other Native Corporations may apply for this same determination in conjunction with this solicitation, pursuant to 36 CFR 13.325. See Proposal Package – ANILCA Section 1307 Preferred Operator Application.

Local residents (individuals and corporations) may apply for the preferred operator preference in conjunction with this solicitation, pursuant to 36 CFR 13.315. See Proposal package – ANILCA Section 1307 Preferred Operator Application.

The Native Corporations determined to be "most directly affected" and local residents have equal preference (36 CFR 13.315).

- See 36 CFR Part 13, Subpart E, for a description of how these preferences are applied.
- See "Offering the Contracts", above, for a description of how these preferences are applied where multiple contracts are to be awarded under a single prospectus.

Certain provisions of 36 CFR Part 13, Subpart E and the draft concession contract relevant to joint ventures, subconcessions and management agreements are reproduced below for the convenience of the Offeror. Proposals from offerors asserting preferred operator status that are not consistent with the following provision will not be afforded the preferred operator status.

"An offer from a preferred operator under this subpart, if the offer is in the form of a joint venture, will not be considered [a preferred operator] unless it documents to the satisfaction of the Director that the preferred operator holds the controlling interest in the joint venture" (36 CFR 13.315).

In addition, a proposal from any Offeror that contemplates or proposes business relationships that are inconsistent with the following provision will be considered as not responsive to this solicitation. "Subconcession or other third party agreements, including management agreements, for the provision of visitor services required and/or authorized under this CONTRACT are not permitted" (Ref. Draft Concession Contract, General Provisions, 3(d)).

NATIONAL PARK SERVICE CONCESSIONS MANAGEMENT IMPROVEMENT ACT

The National Park Service Concessions Management Improvement Act (P.L. 105-391) also includes a preference for a preferred offeror to the award of a qualified concession contract. Note that the definition of preferred offeror under this statute and regulation (36 CFR Part 51, Subpart E and F) is very different than the definition of preferred operator under ANILCA Section 1307.

Under the provisions of 36 CFR Part 51 Subpart E and F, the Director has determined that these are not qualified concession contracts for the preferred operator preference, because in the first year of the new contract the anticipated gross receipts will exceed \$500,000. Therefore, no preferred offerors for these contracts exist under the terms of 36 CFR Part 51.

RELATIONSHIP BETWEEN THE TWO PREFERENCES

The rights of preferred operators under ANILCA Section 1307 take precedence over the right of preference granted to certain existing satisfactory NPS concessioners (36 CFR 13.315(c)).

Only "Responsive" Proposals will be considered by NPS

WHAT IS A RESPONSIVE PROPOSAL?

A responsive proposal, within the meaning of this prospectus, is a proposal, submitted by the due date, that is determined by NPS as agreeing to all of the minimum requirements of the draft concession contract and prospectus, and as having provided the information required by the prospectus. Information "required by the Prospectus" refers to information expressly required by the Prospectus and that is material, as determined by the NPS, to an effective evaluation of the Proposal under the applicable selection factor.

WHAT IS A "NON-RESPONSIVE PROPOSAL?

A "non-responsive proposal" is a proposal that is not submitted on time, or, does not agree to all of the minimum requirements of the proposed concession contract and prospectus, or, does not provide the information required by the prospectus.

What happens if a proposal is determined to be non-responsive?

A non-responsive proposal will not be considered by NPS.

DOES AN EXISTING CONCESSIONER WITH A RIGHT OF PREFERENCE HAVE TO SUBMIT A RESPONSIVE PROPOSAL?

Yes. Just like all other offerors, an existing concessioner with a right of preference under 36 CFR Part 51 must submit a responsive proposal in order to be considered for award of a concession contract.

Congressional Review Period

Concession contracts issued for a term of more than ten years or where the annual gross receipts are anticipated to exceed \$5,000,000 are required by law to be submitted to the Congress for sixty days

before they may be awarded. These new concession contracts will be submitted to the Congress because the anticipated gross receipts are anticipated to exceed \$5,000,000.

Important Conditions and Cautions Regarding Submission and Evaluation of Proposals

WRITTEN INFORMATION ONLY

All information regarding this prospectus will be issued in writing. No NPS or other government official is authorized to make substantive oral representations relating to this prospectus, and no one may rely on any oral representations made by government officials with respect to this prospectus.

ENTIRE PROPOSAL

Your proposal should address all of the selection factors and any related subfactors. Proposals should respond to all questions and provide all requested information. If a question or requested information is not applicable to a proposal, the proposal should state this in response to the question or request for information. The NPS will review the entire Proposal Package to determine whether your proposal in fact accepts without condition the terms and conditions of this Prospectus. If not, your proposal may be considered non-responsive, even though you submitted an unconditional Offeror's Transmittal Letter.

INCORRECT INFORMATION

If you consider a statement or information in the Prospectus is be incorrect, you must submit comments to NPS in writing no later than forty five (45) days prior to the due date for proposals. Comments should be sent to the office named on the inside cover of this prospectus for the receipt of proposals.

THOROUGH REVIEW

The information contained in this Prospectus is provided to allow persons the ability to understand the terms and conditions of the draft concession contract. You are encouraged to thoroughly review the entire prospectus to identify all required information and documents that must be submitted as part of a proposal before beginning to prepare a proposal.

EXPANDED FACILITIES OR SERVICES

Unless this prospectus expressly requests otherwise, offers to expand the scope of facilities, equipment, and/or services to be provided beyond those called for in this Prospectus will not be considered by NPS in the evaluation of proposals.

ADDITIONAL BENEFITS TO THE GOVERNMENT

A proposal to provide direct or indirect financial or other benefits to the park area or government that are not within the scope or requirements of the prospectus will not be considered in the evaluation of proposals.

FINANCIAL FEASIBILITY

All financial commitments made in your proposal will be closely reviewed and analyzed against your financial statements and supporting documents to evaluate the feasibility of your proposal.

COMPLETE PROPOSAL

Your proposal must reflect the complete proposal that you intend to make. NPS will consider written proposals as the full and final proposal in response to the prospectus, and intends to make its selection on

the written information provided in proposals and other appropriate information. Proposals should be prepared on the assumption that NPS knows nothing about you or your proposal. Proposals should also be prepared on the assumption that NPS does not have any documents previously provided by you to NPS. This is true even if you are the existing concessioner or operate another NPS concession within the park area or elsewhere. Proposals may not reference information or documents previously provided to NPS. Copies of any information or documents that you wish to be considered must be must be submitted as part of a proposal. In making its selection of the best proposal submitted in response to the Prospectus, the Service will consider all information submitted by Offerors and has the right, but not the obligation, to consider any other available information related to the matter.

AMENDMENT OR CANCELLATION OF THIS PROSPECTUS

This Prospectus sets forth the terms and conditions under which the concession operation is to be conducted. NPS may amend this Prospectus and/or extend the submission date (prior to the proposal due date). NPS may cancel a solicitation at any time before the award of the draft concession contract if NPS determines in its discretion that this action is appropriate in the public interest. No person obtains legal rights as a result of an amended, extended, canceled or reissued solicitation for this concession contract.

ADDITIONAL INFORMATION

NPS may request from any person who submitted a timely proposal a written clarification of its proposal. Clarification refers to making clear any ambiguities that may have been contained in a proposal, but does not include amendment or supplementation of a proposal. You may not amend or supplement your proposal after the submission date unless requested by NPS to do so, and, unless NPS provides all offerors that submitted proposals a similar opportunity to amend or supplement their proposals.

EXECUTION OF THE NEW CONTRACT

The offerors selected for award of a concession contract must execute the concession contract promptly after selection within the time established by NPS. If a selected offeror fails to execute the concession contract within the time period specified by NPS, the Director will select another proposal for award of the concession contract, or will cancel the solicitation and may resolicit the draft concession contract.

ADDITIONAL TERMS AND CONDITIONS

NPS may include as terms of the final concession contract appropriate elements of the proposal selected for award of the concession contract. Do not make proposal commitments that you are not prepared to fulfill.

INDEPENDENT ASSESSMENT

You are responsible for undertaking an independent assessment of this business opportunity. All of the statements made in this prospectus regarding the nature of the business and its likely future are only opinions of NPS. You may not rely on any representations of NPS in this regard.

Offeror's Transmittal Letter and Accompanying Proposal

The proposal you are to submit consists of two parts, an Offeror's Transmittal Letter and accompanying proposal. The formats for these documents are contained in Section 3 of this prospectus.

The Offeror's Transmittal Letter states your acceptance of the terms and conditions of the concession opportunity as set forth in this prospectus. It states that you will comply with the terms of the contract and related terms of the prospectus. The letter must bear original signatures and be included in your

proposal. If submitted by a corporation or other business entity, persons authorized to enter into contracts on behalf of the entity must sign it.

The proposal that accompanies the Offeror's Transmittal Letter is in two parts, A and B.

Proposals Submitted on behalf of Incipient Offerors

The Proposal Package is drafted upon the assumption that an Offeror is the same legal entity that will execute the draft concession contract as the Concessioner. If the entity that is to be the Concessioner is not formally in existence as of the time of submission of a proposal, a proposal must demonstrate that the individuals or organizations that intend to establish the entity that will become the Concessioner have the ability and are legally obliged to cause the entity to be financially and managerially capable of carrying out the terms of the contract in accordance with the terms of the offeror's proposal. In addition, the Offeror must unconditionally state and guarantee in its proposal that the Offeror will provide the Concessioner with all funding, management and/or other resources that the proposal offers.

Please turn to Section 3 to prepare a transmittal letter and proposal.